



UNITED STATES DISTRICT COURT

FOR THE CENTRAL DISTRICT OF CALIFORNIA

UNITED STATES OF AMERICA,

Plaintiff,

v.

ADAM LEVIN,

Defendant.

No. CR 2:24-CR-00754-SVW

I N F O R M A T I O N

[18 U.S.C. § 371: Conspiracy to
Tout Securities for Undisclosed
Compensation]

The United States Attorney charges:

[18 U.S.C. § 371]

A. INTRODUCTORY ALLEGATIONS

1. At times relevant to this Information:

Background

a. Palm Beach Venture was a subscription investment newsletter operating in Florida, Georgia, and elsewhere. Palm Beach Venture had subscribers located throughout the United States, including in Los Angeles County, and communicated with those subscribers through interstate wire communications.

b. Palm Beach Venture published promotional pieces for offerings of securities, including securities traded "over-the-counter" ("OTC"), i.e., lower-priced, illiquid securities traded not on public exchanges but instead through "market makers," as well as unregistered securities offered pursuant to Regulation A of the Securities Act of 1933 ("Regulation A"), which permitted the offering and sale of certain securities to the public under more limited disclosure requirements than would traditionally be required for publicly reporting companies.

c. Pursuant to Section 17(b) of the Securities Act of 1933 (15 U.S.C. § 77q(b)), those who received consideration directly or indirectly from an issuer for publishing, giving publicity to, or circulating any advertisement or communication that describes the issuer's security offered for sale were required fully to disclose the consideration received.

d. Subscribers to Palm Beach Venture made up a significant percentage of funds raised through offerings described and promoted by Palm Beach Venture.

Defendant, Conspirators, and Relevant Entities

e. Defendant ADAM LEVIN was a resident of Los Angeles and the founder and Chairman of the Board of Hightimes Holding Corporation ("Hightimes"), a Delaware corporation with a principal place of business in Los Angeles.

f. Hightimes owned and operated High Times, a media company and brand devoted to cannabis and related topics.

g. Hightimes was qualified by the United States Securities and Exchange Commission ("SEC") to conduct a securities offering under Regulation A from March 2018 until June 2020, though

1 it actually offered securities under Regulation A through December
2 2022.

3 h. Hightimes raised approximately \$36,000,000 through its
4 Regulation offering.

5 i. Coconspirator Jonathan William Mikula, also known as
6 ("aka") "William Mikula," was a resident of Woodstock, Georgia, and
7 worked as an analyst for Palm Beach Venture. As an analyst for Palm
8 Beach Venture, Mikula influenced and determined which securities
9 offerings Palm Beach Venture would describe and promote and drafted
10 such descriptions and promotions.

11 j. Coconspirator Christian Fernandez, aka "Christian
12 Crockwell," was a resident of Smyrna, Georgia, and a business and
13 personal associate of coconspirator Mikula.

14 k. Coconspirator D.L. was an attorney and resident of
15 Ontario, Canada, who created and administered a sham entity, 2749960
16 Ontario LTD, whose purpose was to conduct international financial
17 transactions to receive the criminal proceeds of the conspiracy in
18 Canada and then forward those proceeds to entities and accounts in
19 Mexico and the United States.

20 l. Coconspirator Amit Raj Beri, aka "Raj Beri," was a
21 resident of West Hollywood, California, and Florida, and was Chief
22 Executive Officer ("CEO") of a Delaware corporation with a principal
23 place of business in Beverly Hills, California.

24 m. Coconspirator S.B. was a resident of Truckee,
25 California. Coconspirator S.B. was also the founder and CEO of a
26 Delaware corporation doing business in Miami, Florida; San Mateo,
27 California; and elsewhere (the "Miami Issuer").

1 n. The Miami Issuer first qualified to conduct a
2 Regulation A offering in or around July 2020 and offered securities
3 under that qualification thereafter in 2020 and 2021.

4 Promotion of Issuers

5 o. Defendant LEVIN, along with coconspirators Mikula,
6 Fernandez, Beri, S.B., and others known and unknown, knew and
7 understood that placement in Palm Beach Venture provided issuers with
8 a valuable avenue of exposure to potential investors.

9 p. Palm Beach Venture promoted Hightimes between in or
10 around April 2020 and in or around August 2021. Hightimes raised at
11 least \$20 million in investor funds during that period, with
12 approximately \$6 million of that amount associated with Palm Beach
13 Venture's promotion.

14 q. Palm Beach Venture promoted the Miami Issuer on or
15 around September 8, 2020, which resulted in raising approximately \$30
16 million in investor funds.

17 B. OBJECT OF THE CONSPIRACY

18 2. Beginning no later than in or about February 2020, and
19 continuing through at least in or about August 2021, in Los Angeles
20 County, within the Central District of California, and elsewhere,
21 defendant LEVIN, along with coconspirators Mikula, Fernandez, Beri,
22 and D.L., conspired with one another and others known and unknown,
23 knowingly and willfully, by the use of the means and instruments of
24 transportation and communication in interstate commerce, to commit an
25 offense against the United States, namely, to publish, give publicity
26 to, and circulate notices, circulars, advertisements, articles,
27 letters, investment services, and communications which, though not
28 purporting to offer securities for sale, described such securities

1 for a consideration received and to be received, directly and
2 indirectly, from issuers without fully disclosing the receipt,
3 whether past or prospective, of such consideration and the amount
4 thereof, in violation of Title 15, United States Code, Sections
5 77q(b) and 77x.

6 C. MANNER AND MEANS OF THE CONSPIRACY

7 3. The object of the conspiracy was carried out, and was to be
8 carried out, in substance, as follows:

9 a. Knowing that placement within and promotion by Palm
10 Beach Venture permitted securities issuers to reach additional
11 investors and raise additional funds, and knowing that Palm Beach
12 Venture would make the materially misleading representation that
13 neither it "nor its affiliates receive compensation for bringing this
14 deal to you," coconspirator Mikula would agree to write and place
15 articles and other promotional pieces regarding the securities of
16 specific issuers (the "Collusive Issuers") on the understanding and
17 agreement that such issuers and their associates would pay
18 undisclosed direct and indirect compensation to him, coconspirators
19 Fernandez, Beri, and D.L., and others.

20 b. In exchange for coconspirator Mikula's promotion and
21 touting of Hightimes and its Regulation offering through Palm Beach
22 Venture, defendant LEVIN would pay and cause Hightimes to pay
23 \$150,000 in undisclosed compensation to coconspirators Mikula,
24 Fernandez, Beri, D.L., and others.

25 c. In exchange for coconspirator Mikula's promotion and
26 touting of the Miami Issuer and its Regulation offering through Palm
27 Beach Venture, coconspirator S.B. would pay and cause the Miami

1 Issuer to pay undisclosed compensation to coconspirators Mikula,
2 Fernandez, Beri, D.L., and others.

3 d. To promote the conspiracy and disguise the source,
4 purpose, and nature of the illegal payments, defendant LEVIN, along
5 with coconspirators Mikula, Beri, D.L., S.B., and others, would
6 arrange for coconspirators Fernandez, Beri, and D.L. to receive
7 compensation on coconspirator Mikula's behalf. Coconspirators
8 Fernandez and D.L. would then transfer those funds through a series
9 of domestic and foreign bank accounts before returning a portion of
10 the funds to coconspirator Mikula through nominee bank transactions,
11 cash withdrawals, disguised check payments and wire transfers, and
12 gifts, including luxury items such as a Range Rover automobile.

13 e. Coconspirators Fernandez, D.L., and others would open,
14 form, and operate a series of domestic and foreign business entities
15 and bank accounts for the purpose of receiving the payments generated
16 by the conspiracy and concealing the nature, location, source,
17 ownership, and control of those payments. In exchange, coconspirator
18 Fernandez would take a significant percentage -- sometimes half -- of
19 these funds.

20 f. Also in exchange for coconspirator Mikula's touting of
21 Hightimes through Palm Beach Venture, defendant LEVIN would provide
22 additional undisclosed and indirect compensation in the form of
23 lavish meals, beverages, and entertainment worth tens of thousands of
24 dollars to coconspirators Mikula, Fernandez, Beri, and others.

25 4. Defendant LEVIN was able to raise approximately \$6 million
26 of investor funds through securities offerings described and promoted
27 by Palm Beach Venture without required disclosures that such

1 promotions had been obtained through direct and indirect compensation
 2 to coconspirator Mikula and others.

3 D. OVERT ACTS

4 5. On or around the dates set forth below, in furtherance of
 5 the conspiracy, and to accomplish its object, defendant LEVIN,
 6 together with coconspirators Mikula, Fernandez, Beri, D.L., S.B., and
 7 others, committed and willfully caused others to commit, the
 8 following overt acts, among others, within the Central District of
 9 California and elsewhere:

10 Overt Act No. 1: On April 3, 2020, defendant LEVIN and
 11 coconspirator D.L. entered into a "Marketing Agreement" by which
 12 "2749960 Ontario Ltd." purported to agree to provide "marketing
 13 services to Hightimes Holding Corp."

14 Overt Act No. 2: On April 6, 2020, in consideration for the
 15 funds defendant LEVIN had committed to funnel through coconspirators
 16 Fernandez, Beri, D.L., and others to coconspirator Mikula,
 17 coconspirator Mikula caused Palm Beach Venture to promote Hightimes's
 18 Regulation A offering, which promotion included the materially false
 19 representation that "Neither the Palm Beach Research Group nor its
 20 affiliates receive compensation for bringing this deal to you."

21 Overt Act No. 3: On August 30, 2020, in a text message,
 22 coconspirator Fernandez informed defendant LEVIN of "another push"
 23 for Hightimes in Palm Beach Venture, with "September 7th" as the
 24 targeted date, to which defendant LEVIN responded, "Yesss."

25 Overt Act No. 4: On August 31, 2020, in response to
 26 coconspirator Fernandez's request that defendant LEVIN wire funds in
 27 consideration for the upcoming promotion of Hightimes, defendant
 28 LEVIN text-messaged a screenshot of a bank confirmation for an

1 international bank wire of \$100,000 from an account controlled by
2 defendant LEVIN in the United States to a bank in Ontario, Canada.

3 Overt Act No. 5: On September 2, 2020, in a text message,
4 coconspirator Fernandez wrote to defendant LEVIN, "Amigo you owe \$150
5 not \$100 Porfavor It's almost 7th."

6 Overt Act No. 6: On September 3, 2020, after additional text
7 messages between coconspirator Fernandez and defendant LEVIN about
8 whether defendant LEVIN's wire for \$100,000 into an account in
9 Ontario, Canada, had cleared, defendant LEVIN sent coconspirator
10 Fernandez an additional text-message verification of that bank wire,
11 to which coconspirator Fernandez responded, "Once is clear I will
12 tell them the green light for Hightimes push."

13 Overt Act No. 7: On September 3, 2020, in consideration for
14 Palm Beach Venture's promotion of Hightimes, defendant LEVIN caused
15 Hightimes to wire \$100,000 to 2749960 Ontario Ltd.

16 Overt Act No. 8: On September 22, 2020, in a text message
17 exchange, coconspirator Fernandez told defendant LEVIN, "We are
18 writing about cannabis this week an update and we want HT to be part
19 of this as recommended for the readers. Once [your payment] clears
20 I'll let you know," to which defendant LEVIN responded, "K," and
21 then, after coconspirator Fernandez confirmed "funds seem reflected,"
22 defendant LEVIN responded, "Yessss."

23 Overt Act No. 9: On September 22, 2020, defendant LEVIN
24 caused Hightimes to wire \$25,000 to 2749960 Ontario Ltd. in
25 furtherance of the criminal conspiracy and in consideration for Palm
26 Beach Venture's promotion of Hightimes.

27 Overt Act No. 10: On September 23, 2020, coconspirator Mikula
28 caused Palm Beach Venture to promote the Hightimes's Regulation A

1 offering, which promotion included the materially false
2 representation that "Neither the Palm Beach Research Group nor its
3 affiliates receive compensation for bringing this deal to you."

4 Overt Act No. 11: On October 16, 2020, in consideration for
5 Palm Beach Venture's promotion of Hightimes, defendant LEVIN caused
6 Hightimes to wire \$25,000 to 2749960 Ontario Ltd.

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8 E. MARTIN ESTRADA
9 United States Attorney

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11 LINDSEY GREER DOTSON
12 Assistant United States Attorney
13 Chief, Criminal Division

14 BRETT A. SAGEL
15 Assistant United States Attorney
16 Chief, Corporate and Securities
17 Fraud Strike Force

18 ALEXANDER B. SCHWAB
19 Assistant United States Attorney
20 Deputy Chief, Corporate and
21 Securities Fraud Strike Force

22 ADAM P. SCHLEIFER
23 Assistant United States Attorney
24 Corporate and Securities Fraud
25 Strike Force